

<p>2004 - 2005</p> <p>ANNUAL REPORT</p>

RESULTS OF OPERATIONS IN THE GENERAL FUND

The General Fund ended the year in a stable position. A final available ending fund balance of \$166.1 million was realized, as reflected in the following table:

GENERAL FUND
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2005
(\$000s)

	Revised Budget	Budgetary Basis Actual	Variance
<i>Sources</i>			
<i>Beginning Fund Balance*</i>	174,119	174,119	-
<i>Liquidation of Carryover Encumbrances</i>	-	2,489	2,489
<i>Subtotal</i>	174,119	176,608	2,489
<i>Revenue</i>	688,053	682,028	(6,025)
<i>Total Sources</i>	862,172	858,636	(3,536)
<i>Uses</i>			
<i>Personal Services</i>	504,135	497,637	6,498
<i>Non-Personal/Equipment/Other</i>	87,425	81,779	5,646
<i>City-Wide Expenses</i>	130,515	88,369	42,146
<i>Capital Contributions</i>	30,166	18,622	11,544
<i>Transfers</i>	6,157	6,157	-
<i>Reserves</i>	103,774	-	103,774
<i>Total Uses</i>	862,172	692,564	169,608
 <i>Available Ending Fund Balance</i>		166,072	166,072

* Includes an Encumbrance Balance of \$23.2 million

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RESULTS OF OPERATIONS IN THE GENERAL FUND (CONT'D.)

The actual ending fund balance of \$166.1 million exceeded the estimated ending fund balance level by approximately \$30.3 million. The elements of that variance are illustrated in the following comparison of estimate to actual chart. The estimated fund balance column represents the projections used to formulate the Beginning Fund Balance amount, included as a source of funding in the 2005-2006 Adopted Budget.

2004-2005 GENERAL FUND ENDING FUND BALANCE ANALYSIS (\$000s)

	Estimate	Budgetary Basis Actual	Variance
<i>Sources</i>			
<i>Beginning Fund Balance*</i>	174,119	174,119	-
<i>Liquidation of Carryover Encumbrances</i>	1,000	2,489	1,489
<i>Subtotal</i>	175,119	176,608	1,489
<i>Revenue**</i>	688,053	682,028	(6,025)
<i>Total Sources</i>	863,172	858,636	(4,536)
<i>Uses</i>			
<i>Expenditures**</i>	721,444	686,407	35,037
<i>Transfers</i>	6,157	6,157	-
<i>Reserves</i>	(184)	-	(184)
<i>Total Uses</i>	727,417	692,564	34,853
 <i>Available Ending Fund Balance</i>		166,072	30,317

* Includes an Encumbrance Balance of \$23.2 million

** After adjusting for a net-zero \$20.8 million of grant and reimbursement related revenues and expenditures not received or expended in 2004-2005, but carried over to 2005-2006, the revenue variance resulted in a surplus of \$14.8 million and the expenditures variance actually totaled \$14.2 million.

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RESULTS OF OPERATIONS IN THE GENERAL FUND (CONT'D.)

The actual 2004-2005 liquidation of carryover encumbrance amount was \$2.5 million and reflects encumbered appropriations liquidated by the Finance Department during the period between the release of audited 2003-2004 financial statements and the end of the 2004-2005 fiscal year. Liquidation of prior year encumbrances results in a reduction in the obligations against the fund balance. These funds then become available for reappropriation. The estimate to actual variance of \$1.5 million represents carryover encumbrance liquidations that occurred at a higher level than originally anticipated when formulating the fund balance estimate.

A detailed analysis of the significant variances between estimates and actuals for revenues, expenditures, transfers and reserves is provided in the following section.